

Subpart C—Duties and Responsibilities of Customs Brokers**§ 111.21 Record of transactions.**

Each broker shall keep current in a correct, orderly, and itemized manner records of account reflecting all his financial transactions as a broker. He shall keep and maintain on file a copy of each entry made by him with all supporting records, except those documents he is required to file with Customs, and copies of all his correspondence and other records relating to his Customs business.

[T.D. 70-134, 35 FR 9254, June 13, 1970, as amended by T.D. 86-161, 51 FR 30341, Aug. 26, 1986]

§ 111.22 Additional record of transactions.

(a) *Additional requirement.* In addition to the regular records of account required by § 111.21, each broker shall keep current a record of all his Customs transactions in the format set forth in paragraph (d) of this section, unless an exemption has been granted under the authority of paragraph (b) of this section. If a transaction has been handled only in part by the broker, he shall supply only the information required by this section which relates to his transaction.

(b) *Exemption.* If the information required in paragraph (a) is disclosed in other records regularly kept and maintained by a broker and if such information is in a systematic, convenient, and readily available form, the port director may in writing exempt the broker

from the requirements of paragraph (a) of this section. A written request for exemption shall be addressed to the port director and shall include:

(1) A statement of facts as to the records kept; and

(2) An agreement that, if the exemption is granted, no change in the system of records or the manner of keeping and maintaining them will be made without prior written approval of the port director.

(c) *Withdrawal of exemption.* Whenever an audit by a Customs regulatory auditor indicates that a broker to whom an exemption has been granted as provided for in paragraph (b) of this section is not keeping and maintaining records in conformity with the requirements of that paragraph, the exemption of such broker shall be withdrawn by notice in writing from the port director, and such broker shall thereafter keep and maintain records as required by paragraph (a) of this section.

(d) *Prescribed format.* Each licensed customhouse broker shall keep in the format set forth below and in the detailed manner indicated therein, a complete, correct, itemized record revealing all of his financial transactions as a broker. A separate sheet shall be used for the transactions with each of the broker's clients and all entries shall be made immediately after the transactions are accomplished. For those transactions filed electronically, brokers must be able to provide Customs with the information shown on the prescribed format. However, a separate ledger need not be maintained for these transactions.

Name of broker		Port of.															
Address		Name of importer or exporter (client).															
Entry num- ber (1)	Sym- bol (foot- note) (2)	Date of entry 19— (3)	Amounts depos- ited with United States (4)	Amounts refunded payee by United States (5)	Amounts disbursed to client on ac- count of refunds made by U.S. Gov- ernment (6)	Bro- ker's fee (7)	Bond pre- mium (8)	Foreign forward- ing charge (9)	Inland freight or ex- press (10)	Storage or cart- age (11)	Dock and mes- senger service (12)	Public stores (13)	Ware- house with- drawal (14)	Mis- cellane- ous (15)	Cash received from clients Amount (16)	Date 19— (17)	Remarks disposi- tion of mer- chandise if entry not com- pleted (18)

NOTE: The following symbols shall be used to show the class of entry: "C", consumption; "W", warehouse; "WVC", warehouse withdrawal for consumption; "WWT", warehouse with-
drawal for transportation; "R", re-warehouse; "R & W", re-warehouse and withdrawal for consumption; "T", immediate transportation; "T & E", transportation and exportation; "D", exportation
with benefit of drawback; "EW", exportation under warehouse withdrawal; "E", exportation; "A", appraisement; "I", informal; "PP", packed packages.

(e) *Authorization.* The director of the port where a broker has given notification to maintain records of financial transactions on a centralized system basis, as set forth in § 111.23(e), is responsible for providing an exemption or withdrawal of exemption under paragraphs (b) and (c) of this section.

[T.D. 78-138, 43 FR 21878, May 22, 1978, as amended by T.D. 82-33, 47 FR 6615, Feb. 16, 1982; T.D. 86-161, 51 FR 30341, Aug. 26, 1986; T.D. 90-92, 55 FR 49884, Dec. 3, 1990]

§ 111.23 Retention of records.

(a) *Place and period of retention—(1) Place.* The records, as defined in § 111.1(f), and required by §§ 111.21 and 111.22 to be kept by the broker, shall be retained at the port, unless notification of centralized accounting records is given under paragraph (e) of this section, or notification is provided by electronic entry filers under part 143, subpart D, of this chapter.

(2) *Period.* The records described in paragraph (a)(1) of this section, other than powers of attorney, shall be retained for at least 5 years after the date of entry. Powers of attorney shall be retained until revoked, and revoked powers of attorney and letters of revocation shall be retained for 5 years after either the date of revocation or the date the client ceases to be an “active client” as defined in § 111.29(b)(2)(ii). When merchandise is withdrawn from a bonded warehouse, copies of papers relating to the withdrawal shall be retained for 5 years from the date of withdrawal of the last merchandise withdrawn under the entry.

(b) *Microfilming of records.* A broker, with the approval of the director of the port at which he has been granted a permit and the records are located, may maintain on microfilm or similar medium, in lieu of an original, any records other than powers of attorney required to be retained under the provisions of paragraph (a) of this section, at any time after the entry to which these records pertain has been liquidated, upon the following conditions:

(1) *Approval of microfilming.* The broker shall submit to the director of the port at which he is licensed a request for approval to microfilm records containing the following certification:

This certifies that the records for which this approval is requested shall be microfilmed in accordance with the standards set forth in § 111.23(c) of the Customs Regulations (19 CFR 111.23(c)).

(2) *Retention of microfilm records.* The broker shall retain and keep available an original and one reproduction of each microfilm for the period specified by paragraph (a) of this section.

(3) *Use of microfilm records.* The reproduction copy of the original negative microfilm of books and papers may be used for reference purposes. However, the original negative microfilm shall not be used for reference purposes, and adequate measures shall be taken to keep the original negative clean and free from scratches.

(4) *Hard-copy reproductions.* Brokers microfilming their records shall use microfilm equipment having the capability of making direct hard-copy reproductions of the microfilmed records.

(5) *Expense of reproductions.* Brokers shall bear the expense of making hardcopy reproductions of any or all microfilmed records required by the Field Director, Regulatory Audit, the special agent in charge, or other proper official of the U.S. Customs Service for the audit or inspection of books and records.

(c) *Standards required for microfilming.* Brokers microfilming their records shall maintain the integrity of the original records by insuring that the microfilm copies are true reproductions of the original records and serve the purpose for which such records were created. The following shall be observed in any microfilming:

(1) Copies shall contain all significant record detail shown on the original.

(2) Copies of the records, on either roll microfilm or unit microfilm systems, shall be so arranged, identified, and indexed that any individual document or component of the records can be located with reasonable facility.

(3) Any indexes, registers or other finding aids shall be microfilmed at the beginning of the records to which they relate.

(d) *Other methods of reproduction for record retention.* If approved by the port director at which a broker has been granted a permit and in which he has